



**INDIANA HOUSING AND COMMUNITY  
DEVELOPMENT AUTHORITY**

**NEIGHBORHOOD STABILIZATION  
PROGRAM  
(NSP)**

# WHAT IS NSP?

---

- Federally funded program (\$33.7 million)
  - 18-month program
  - Used on foreclosed homes in HUD approved areas of greatest need (Property lookup at [www.indianahousingnow.org](http://www.indianahousingnow.org))
  - Money can be used for down payment, closing costs, rehab or for any combination of the 3
- 
- ✗ **NSP funds can be used 3 ways**
    - With our Bond Program (excluding all disability programs)
    - With our MCC Program
    - As a Stand-Alone (**IHCDA does the 2<sup>nd</sup> mtg only**)

# COMMONS GUIDELINES FOR ALL PROGRAMS

- Can do FHA, VA, Conv, USDA
- DPA 20% of Purchase Price or \$15,000 whichever is less
- If a participating lender with FHLB , FHLB is also offering \$10,000 to be used as DPA/closing costs
- Must be owner occupied
- Required 8 hours of homebuyer training through any HUD approved agency or any HomeEC certified agency
- No cash back except what the borrower put into the loan
- Purchase Price must be a minimum of 10% less than appraised value
- All repairs must be completed before closing unless lender holds escrow
- Homes over 50 years old may be subject to historic review. Examples of possible review:
  - Ground disturbance
  - Exterior rehabilitation with the exception of painting
  - Remediation of hazardous materials (ex. Lead, Asbestos)
- 10 year forgive ability period
  - Years 1-5: repay total amount
  - Years 6-10: pro-rated 1/5 each year

# NSP WITH THE BOND PROGRAM

- Use NSP income limits for Bond and MCC
- Must be a first-time homebuyer
- US Bank purchases 1<sup>st</sup> mtg
- IHCDCA services the 2<sup>nd</sup> mtg
- Borrower receives IHCDCA interest rate
- Lender fee cap of \$450
- Can charge 1% origination fee
- Reservation fee 0.125% of loan amount



# APPLICATION PACKAGE USING THE BOND PROGRAM



- NSP-1 With Bond and MCC (Checklist)
- 1003
- NSP-All With Bond Program Doc
- 3 Years of Tax Returns
- Pay stubs (within 30 days for all people working in household)
- Purchase Agreement (signed by all)
- Appraisal (Purchase Price must be a minimum of 10% less than appraised value)
- 3<sup>rd</sup> party inspection (List of approved inspectors on our website)
- 3 Estimates for repairs or Cost of Repair per Appraiser (if applicable)
- Final Inspection for Repairs (if available)
- Title Work
- Escrow Approval from Lenders Underwriter (if applicable)
- Homebuyer Education Certificate (8 hrs of training)

# AFTER PRELIMINARY APPROVAL SEND:

- NSP Funding Request
- Worked up HUD-1
- Fax to 317-233-2558



# **CLOSING PACKAGE USING THE BOND PROGRAM**

- NSP-5 With Bond and MCC (Checklist)
- Final signed 1003
- Final signed NSP-All with Bond Program Doc
- Final signed HUD-1
- Final Inspection
- Original 2<sup>nd</sup> mtg
- Original 2<sup>nd</sup> Note
- Proof of Insurance, listing IHCD as second mortgagee
- Conditions from Application package

# NSP WITH THE MCC PROGRAM

---

- Use NSP income limits for Bond and MCC
- Must be a first-time homebuyer
- Lender retains 1<sup>st</sup> mtg
- IHCD services the 2<sup>nd</sup> mtg
- Any interest rate applies
- No cap on Lender fees
- Reservation fee 0.5% of loan amount



# APPLICATION PACKAGE USING THE MCC PROGRAM



- NSP-1 with Bond and MCC (Checklist)
- 1003
- MCC-All doc
- 3 Years Tax Returns
- Pay stubs (within 30 days for all people working in household)
- Purchase Agreement (signed by all)
- Appraisal (Purchase Price must be a minimum of 10% less than appraised value)
- 3<sup>rd</sup> party inspection (List of approved inspectors on our website)
- 3 Estimates for repairs or Cost of Repair per Appraiser (if applicable)
- Final Inspection for Repairs (if available)
- Title Work
- Escrow Approval from Lenders Underwriter (if applicable)
- Homebuyer Education Certificate (8 hrs of training)

# AFTER PRELIMINARY APPROVAL SEND:

- NSP Funding Request
- Worked up HUD-1
- Fax to 317-233-2558



# **CLOSING PACKAGE USING THE MCC PROGRAM**

- NSP-5 with Bond and MCC (Checklist)
- Final signed 1003
- Final signed MCC-All doc
- Final signed HUD-1
- Final inspection
- Original 2<sup>nd</sup> mtg
- Original 2<sup>nd</sup> Note
- Proof of Insurance, listing IHCD as second mortgagee
- Conditions from Application package

# NSP AS A STAND-ALONE (IHCDA DOES THE 2<sup>ND</sup> MTG ONLY)

---

- Lender must agree to program guidelines before using program
  - [www.ihcdaonline.com](http://www.ihcdaonline.com)
- Lender will receive a Lender ID from IHCDA (if lender is not an IHCDA Participating lender)
- Use 120% AMI income limits (Found on website)
- Lender retains the 1<sup>st</sup> mtg
- IHCDA services the 2<sup>nd</sup> mtg
- Do not have to be a first-time homebuyer
- No cap on Lender charged fees
- No fee to reserve the loan



# APPLICATION PACKAGE AS A STAND-ALONE

- NSP-1 As A Stand-Alone (Checklist)
- 1003
- NSP-All as a Stand-Alone doc
- Pay stubs (within 30 days for all working in household)
- Purchase Agreement (signed by all)
- Appraisal (Purchase Price must be a minimum of 10% less than appraised value)
- 3<sup>rd</sup> party inspection (List of approved inspectors and inspection form on our website)
- 3 Estimates for repairs or Cost of Repair per Appraiser (if applicable)
- Final Inspection for Repairs (if available)
- Title Work
- Escrow Approval from Lenders Underwriter (if applicable)
- Homebuyer Education Certificate (8 hrs of training)

# AFTER PRELIMINARY APPROVAL SEND:

- NSP Funding Request
- Worked up HUD-1
- Fax to 317-233-2558



# **CLOSING PACKAGE USING AS A STAND-ALONE**

- NSP-5 As A Stand-Alone(Checklist)
- Final signed 1003
- Final signed NSP-All as a Stand-Alone Doc
- Final signed HUD-1
- Final inspection
- Original 2<sup>nd</sup> mtg
- Original 2<sup>nd</sup> Note
- Proof of Insurance listing IHCD as second mortgagee
- Conditions from Application package

# FOR QUESTIONS PLEASE CONTACT THE SINGLE FAMILY STAFF

- ✕ Kim Harris – Single Family Manager
  - + 317-233-5367 or [kiharris@ihcda.in.gov](mailto:kiharris@ihcda.in.gov)
- ✕ Lee McClendon – Assistant Manager
  - + 317-232-2582 or [lmccclendon@ihcda.in.gov](mailto:lmccclendon@ihcda.in.gov)
- ✕ Karen Gatewood – Underwriter
  - + 317-234-5178 or [kgatewood@ihcda.in.gov](mailto:kgatewood@ihcda.in.gov)
- ✕ Kim Williams – Underwriter
  - + 317-234-0202 or [kiwilliams@ihcda.in.gov](mailto:kiwilliams@ihcda.in.gov)
- ✕ Marianne Fraps – Underwriter
  - + 317-232-7023 or [mfraps@ihcda.in.gov](mailto:mfraps@ihcda.in.gov)
- ✕ Sara Hawk – Underwriter
  - + 317-233-0702 or [shawk@ihcda.in.gov](mailto:shawk@ihcda.in.gov)
- ✕ Marquet Smith – Loan System Specialist
  - + 317-232-3566 or [msmith@ihcda.in.gov](mailto:msmith@ihcda.in.gov)
- ✕ Melanie McNair – Single Family Specialist
  - + 317-233-3895 or [mmcnair@ihcda.in.gov](mailto:mmcnair@ihcda.in.gov)
- ✕ Liann Doyle – Underwriter
  - + 317-233-1826 or [ldoyle@ihcda.in.gov](mailto:ldoyle@ihcda.in.gov)
- ✕ Website address:
  - + [www.in.gov/ihcda](http://www.in.gov/ihcda)

